Registration number: 3390330

Virgin Start Up Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020

Virgin Start Up Limited

Contents

Virgin Start Up Limited

Directors' Report for the Year Ended 31 December 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Principal activities

Virgin Start Up Limited (the "Company") helps founders in the UK to start and scale early stage businesses, by providing: advice, access to funding, opportunities to learn the skills needed, inspiration and access to a community of mentors and fellow founders.

The loan funding available to entrepreneurs is provided by the UK Government (the "Government") through its Start Up Loans programme, administered by The Start Up Loans Company, a wholly owned subsidiary of The British Business Bank. The Start Up Loans Company relies on a network of organisations, known as 'Delivery Partners', to provide the business advice, access to Start Up Loan Funding and the post funding support required by founders, to not only start-up and survive, but thrive.

The Company is one of the official Delivery Partners for this scheme. It delivers its services in England and Scotland through a combination of Direct Delivery and partnerships with external organisations and enterprise agencies.

The Company also delivers a range of Events and Masterclasses as well as two later stage Accelerator - StepUp and Crowdboost - programmes for later stage start-ups that are looking to scale.

Business review

Summary financial performance and key performance indicators

For the year ended 31 December 2020, the Company recorded a loss before tax of £610,000 (2019: 410,000).

For the year ended 31 December 2020, total turnover was £678,000 (2019: £800,000). The decrease for the year is mainly due to the reduction in grant income. During the year, 572 loans were drawn down through The Start Up Loans Company (2019: 553).

At 31 December 2020, the Company had net assets of £505,000 (2019: £263,000). The increase of £242,000 is mainly due the capitalisation of debt by the Company's parent undertaking, Virgin Management Limited, offset by the loss for the year.

Principal risks and uncertainties

One of the primary activities of the Company is to provide support to founders looking to secure the funding provided by The Start Up Loans Company. The main income stream for the Company is the fee received for each Start Up Loan that is drawn down. There is a risk that The Start Up Loans Company could terminate the Company's contract if the number of loans drawn down is less than 85% of the forecast. In order to minimise this risk, the Company is focused on maintaining its current output level through continued focus on outreach and operational efficiency, strengthening its relationship with The Start Up Loans Company and ensuring its Regional Partners are meeting targets.

The Company is also seeking to expand its product and service portfolio, to diversify its income streams.

Virgin Start Up Limited

Directors' Report for the Year Ended 31 December 2020

Going concern

As detailed in note 1.2 to the financial statements, a parent undertaking, Virgin Holdings Limited, has formally indicated that it is its present intention to provide sufficient funding to the Company to enable it to meets its liabilities as they fall due, for at least the next twelve months. The directors have no reason to believe that the parent company will not be in a position to provide this support. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

Results

The loss for the year, after taxation, amounted to £610,000 (2019: £410,000).

Directors' of the company

The directors, who served during the year, were as follows:

W S Pearson

L V Thomas (resigned 31 October 2020)

L M Grant

A Fishburn

C J Hilton (appointed 17 December 2020)

F C R Andrewes (appointed 17 December 2020)

Charitable contributions

The Company made charitable donations of £nil (2019: £nil) during the year.

Disclosure of information to the auditors

Each of the persons who are directors at the time when the Directors' Report is approved has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006 the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board on 15 September 2021 and signed on its behalf by:

....
L M Grant
Director
The Battleship Building
179 Harrow Road
London
W2 6NB

Virgin Start Up Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

KPMG

Virgin Start Up Limited

Independent Auditor's Report to the Members of Virgin Start Up Limited

Opinion
We have audited the financial statements of Virgin Start Up Limited ("the company") for the year ended 31 December 2020 which comprise Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern
The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

KPMG

Virgin Start Up Limited

Independent Auditor's Report to the Members of Virgin Start Up Limited

Fraud and breaches of laws and regulations - ability to detect
Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of directors and finance management as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- reading Board minutes; and
- using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements. On this audit we do not believe there is a fraud risk related to revenue recognition because the accounting for the revenue is non-complex, and subject to limited levels of judgment with limited opportunities to fraudulently manipulate revenue.

We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted and approved by the same user and those posted to unusual accounts.
- evaluated the business purpose of significant unusual transactions.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

KPMG

Virgin Start Up Limited

Independent Auditor's Report to the Members of Virgin Start Up Limited

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover this report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in this report for the financial year is consistent with the financial statements; and
- in our opinion this report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

KPMG

Virgin Start Up Limited

Independent Auditor's Report to the Members of Virgin Start Up Limited

Auditor's responsibilities
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

P Nikolaev

Polina Nikolaev (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered accountants
15 Canada Square
London
E14 5GL

15 September 2021

Virgin Start Up Limited

Statement of Comprehensive Income for the Year Ended 31 December 2020

	Note	2020 £ 000	As restated * 2019 £ 000
Turnover	3	678	800
Cost of sales		(181)	(185)
Gross profit		497	615
Administrative expenses		(1,107)	(1,025)
Operating loss	4	(610)	(410)
Loss before tax		**(610)**	**(410)**
Taxation	5	-	-
Loss for the year		(610)	(410)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(610)	(410)

* The Company has applied a change in accounting policy in 2020 to recognise other operating income as turnover. This change has been retrospectively applied to the 2019 comparatives. Please refer Note 3 for more information.

The notes on pages 12 to 22 form part of these financial statements.

Virgin Start Up Limited

(Registration number: 3390330)
Balance Sheet as at 31 December 2020

	Note	31 December 2020 £ 000	31 December 2019 £ 000
Non-current assets			
Tangible fixed assets	8	-	1
Current assets			
Debtors: amounts falling due within one year	9	191	373
Cash at bank and in hand		495	17
		686	390
Creditors: amounts falling due within one year	10	(181)	(128)
Net current assets		505	262
Net assets		505	263
Capital and reserves			
Called up share capital	11	-	-
Share premium account		5,742	4,890
Profit and loss account		(5,237)	(4,627)
Shareholders' funds		505	263

The financial statements were approved and authorised by the board and were signed on its behalf on 15 September 2021.

LM Grant
Director

The notes on pages 12 to 22 form part of these financial statements.

Virgin Start Up Limited

Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2020	-	4,890	(4,627)	263
Comprehensive loss for the year				
Loss for the year	-	-	(610)	(610)
Total comprehensive loss for the year	-	-	(610)	(610)
Transactions with owners, recorded directly in equity				
Shares issued during the year	-	852	-	852
Total contributions by and distributions to owners	-	852	-	852
Balance at 31 December 2020	-	5,742	(5,237)	505

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
Balance at 1 January 2019	-	4,490	(4,217)	273
Comprehensive income for the year				
Loss for the year	-	-	(410)	(410)
Total comprehensive income for the year	-	-	(410)	(410)
Transactions with owners, recorded directly in equity				
Shares issued for the year	-	400	-	400
Total contributions by and distributions to owners	-	400	-	400
Balance at 31 December 2019	-	4,890	(4,627)	263

The notes on pages 12 to 22 form part of these financial statements.

1 Accounting policies

1.1 Basis of preparation

Virgin Start Up Limited (the "Company") is a company, limited by shares, incorporated and domiciled in the UK. The registered office address is The Battleship Building, 179 Harrow Road, London, W2 6NB.

The Company's intermediate parent, Virgin UK Holdings Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Virgin UK Holdings Limited are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from the address in note 13.

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") and the Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions under FRS 101 in respect of the following disclosures:

- the requirements of IAS 7 statement of cash flows and related notes;
- comparative period reconciliations for share capital and tangible fixed assets;
- the requirements of IAS 24 related party disclosures in respect of wholly owned subsidiaries;
- the requirements of IFRS 7 financial instruments disclosures; and
- the effects of new but not yet effective IFRSs.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The preparation of the financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates calculated.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no accounting policies that are considered to be critical because they either require a significant amount of management judgement or the results are material to the Company's financial statements.

1.2 Going Concern
Notwithstanding a loss for the year ended 31 December 2020, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have reviewed the financial position of the Company for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from an intermediate parent company, Virgin Holdings Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Virgin Holdings Limited providing additional financial support during that period. Virgin Holdings Limited has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Foreign currency
The Company's functional and presentation currency is pound sterling.

Transactions in foreign currencies are translated into the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Tangible fixed assets
Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Computer equipment - 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

1.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.6 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument. In accordance with IFRS 9, financial instruments are recorded initially at fair value. Subsequent measurement of those instruments at the balance sheet date reflects the designation of the financial instrument. The Company determines the classification at initial recognition and re-evaluates this designation at each reporting date except for those financial instruments measured at fair value through profit or loss.

Non-derivative financial assets

Non-derivative financial assets are deemed to be assets which have no fixed or determinable payments that are not quoted in an active market and would therefore be classified as 'loans and receivables'. Such non-derivative financial assets are measured at amortised cost using the effective interest method, less any impairment and include trade and other receivables. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of non-derivative financial assets

The Company assesses at each balance sheet date whether a non-derivative financial asset is impaired. The expected credit loss approach is taken when calculating impairments on financial assets. All financial assets are reviewed for historic write-offs and this proportion is applied to its class of financial assets to calculated the required provision.

Derecognition of non-derivative financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Non-derivative financial liabilities

Non-derivative financial liabilities are initially recorded at fair value less directly attributable transaction costs, and subsequently at amortised cost and include loans and borrowings and trade and other payables.

Derecognition of non-derivative financial liabilities

The Company derecognises a financial liability only when the Company's obligations are discharged, cancelled or they expire. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts are recognised in profit or loss.

1.7 Debtors

Short term debtors are measured at transaction price less any impairment. Loans receivable are measured initially at fair value, net of transaction cost, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.8 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.9 Turnover

Turnover consists of fees receivable from The Start Up Loans Company, grant income received from the European Union, event income from attendance at various workshops held throughout the year and income from the Crowdboost programme.

Turnover and other operating income is recognised in accordance with IFRS 15's principle based five-step model as follows:

- contract with a customer is identified;
- contract performance obligations are identified;
- transaction price is determined;
- transaction price is allocated to each performance obligation; and
- upon satisfaction of each performance obligation the turnover is recognised.

1.10 Employee Benefits
Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

1.11 Current and deferred taxation
Tax on profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised or that the Company has determined it is appropriate to recognise the deferred tax asset as it is recoverable due to the fact that the Company is part of a UK group for group relief purposes.

2 Subsequent events

There were no material post balance sheet events arising after the reporting date.

3 Turnover

The analysis of turnover by class of business is as follows:

	2020 £ 000	2019 £ 000
Fee receivable from The Start Up Loans Company on loans drawn in the period	406	407
Grant Income	183	309
Post Funding Support Programme	50	-
Other income *	39	84
	678	800

* Other income includes income from events and the Crowdboost support programme.

An analysis of turnover by country of destination:

	2020 £000	2019 £000
United Kingdom	495	491
Rest of the world	183	309
	678	800

The Company applied a change in accounting policy during the year in order to provide better clarification to the users of these financial statements on the Company's turnover. Operating income is now presented as turnover (previously presented as other operating income). In accordance with IAS 8 this has been applied retrospectively and the 2019, other operating income has now been reclassified to turnover. The Statement of Comprehensive Income for the year has been updated to reflect this presentation. The updated accounting policies are detailed in Note 1.9.

4 Expenses and auditors remuneration

Included in loss for the year are the following:

	2020 £ 000	2019 £ 000
Auditor's remuneration	8	5

Audit fees relating to both the current and the prior year were borne by the parent company, Virgin Management Limited. There were no non-audit services provided.

5 Taxation

	2020 £ 000	2019 £ 000
Corporation tax		
Total current tax	-	-

Factors affecting tax charge for the year

The charge for the year can be reconciled to the loss per the profit and loss account as follows:

	2020 £ 000	2019 £ 000
Loss on ordinary activities before tax	(610)	(410)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(116)	(78)
Expenses not deductible for tax purposes	-	7
Non-taxable income	(152)	(148)
Temporary differences not recognised for deferred tax	240	219
Impact of changes in statutory tax rates	28	-
Total tax charge/(credit)	-	-

A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19 percent, rather than the previously enacted reduction to 17 percent. Accordingly the company's profit has been taxed at 19% (2019:19%).

Following the announcement made in the 2021 budget, it is expected that there will be an increase in the rate of UK corportation to 25% on 1 April 2023. This was substantively enacted on 24 May 2021.

The Company has not recognised deferred tax assets in respect of gross unused tax losses of £9,052,000 (2019: £7,615,000)

6 Staff costs

Staff costs, including directors' remuneration, were as follows:

	2020 £ 000	2019 £ 000
Wages and salaries	716	638
Social security costs	81	84
Cost of defined contributions scheme	55	34
	852	756

The average monthly number of employees, (including directors),during the year was as follows:

	2020 No.	2019 No.
Management and administration	14	13

7 Directors' remuneration

	2020 £ 000	2019 £ 000
Directors' emoluments	182	131
Company contributions to defined contribution pension schemes	7	4
	189	135

During the year retirement benefits were accruing to 1 director (2019: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £132,000 (2019: £79,000).

8 Tangible assets

	IT Equipment £ 000
Cost or valuation	
At 1 January 2020	5
At 31 December 2020	5
Depreciation	
At 1 January 2020	4
Charge for the year	1
At 31 December 2020	5
Carrying amount	
At 31 December 2020	-
At 31 December 2019	1

9 Debtors: amounts falling within one year

	31 December 2020 £ 000	31 December 2019 £ 000
Trade debtors	6	50
Amounts due from group undertakings	2	3
Prepayments and accrued income	183	320
	191	373

10 Creditors: amounts falling due within one year

	31 December 2020 £ 000	31 December 2019 £ 000
Trade creditors	3	10
Accrued expenses	143	94
Social security and other taxes	32	19
Other creditors	3	5
	181	128

11 Share Capital and Share Premium

	2020 £ 000	2019 £ 000
Allotted, called up and fully paid		
9 (2019: 8) Ordinary shares of £1 each	-	-

Share Premium

On 31 December 2020, the Company's parent, Virgin Management Limited, subscribed for one £1 ordinary share in the capital of the Company, for consideration of £852,000 in satisfaction of a debt owed (2019: £400,000).

12 Related party transactions

At 31 December 2020, the Company's ultimate parent undertaking was Virgin Group Holdings Limited, whose sole shareholder is Sir Richard Branson. The shareholder of Virgin Group Holdings Limited has interests directly or indirectly in certain other companies which are considered to give rise to related party disclosures under International Accounting Standard 24: Related Party Disclosures.

As a 100% owned subsidiary of Virgin Group Holdings Limited, the Company has taken advantage of the exemption under FRS 101: Reduced Disclosure Framework, which enables it to exclude disclosure with Virgin Group Holdings Limited and its wholly owned subsidiaries.

13 Controlling party

At 31 December 2020, the Company's ultimate parent undertaking was Virgin Group Holdings Limited, a company incorporated in the British Virgin Islands.

The largest and smallest groups into which the Company's results are consolidated are those of Virgin UK Holdings Limited and Virgin Holdings Limited respectively, both companies are registered in England and Wales. The consolidated financial statements of these groups can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.